

FISCAL IMPACT STATEMENT ON BILL NO. **H.4719**

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TO:	The Honorable Leon Howard, Chairman, House Medical, Military, Public and Municipal Affairs Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Torina Wood		
DATE:	April 23, 2008	SBD:	2008212

AUTHOR:	Representative Huggins	PRIMARY CODE CITE:	43-7-465
SUBJECT:	Health Insurance Entities		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

House Bill 4719 amends various sections of the Code of Laws of South Carolina, 1976, as amended, related to the Department of Health and Human Services (DHHS). The Bill assigns rights to DHHS to recover an amount paid by Medicaid to a third party, allows subrogation to DHHS of right to recover from a third party, and provides for the recovery of medical assistance paid from certain estates.

EXPLANATION OF IMPACT:

DHHS reports this Bill would generate additional revenue in the form of Third Party Liability (TPL) collections which would reduce prior year expenditures. DHHS indicates deferring recovery until the death of a decedent's surviving spouse and until a time when the decedent has neither a surviving child under age 21 nor a disabled child could result in a potential recovery of approximately \$3,077,700. Of that amount \$931,620 would be retained by DHHS while \$2,146,080 would be remitted to the Federal government based on a match rate of approximately 30% State / 70% Federal match.

DHHS estimates reducing the hardship waiver threshold from \$100,000 to 50% of the median value of a homestead could result in an additional annual average estate recovery of approximately \$358,000. The Federal share of TPL collections must be reimbursed to the Centers for Medicaid Services within 60 days. DHHS would retain the State share of \$108,367 to fund costs for the TPL division while \$249,633 would be remitted to the Federal government.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget